



# NEWS RELEASE

1750 H St., NW • Washington, DC 20006 • (202) 572-5500 • www.nteu.org

**For Immediate Release**  
**February 5, 2007**

**Contact: Dina Long**  
**(202) 572-5500**

## **NTEU Criticizes Administration's 2008 Federal Pay Proposal; Calls for A Minimum Increase of 3.5 Percent**

**Washington, D.C.**—The White House proposal for a three percent pay raise for federal workers in 2008 is yet another disappointing reflection of the administration's disregard for federal employees and their contributions to our nation. That is especially true coming, as it does, on the heels of the 2007 pay raise, which was the lowest in 20 years.

“Federal employees are falling further and further behind as the wage gap between the public and private sector continues to grow,” said President Colleen M. Kelley of the National Treasury Employees Union (NTEU).

“With the impending retirement tsunami soon to engulf the federal government it makes no sense to keep depressing the wages of federal employees. Soon there will be fewer and fewer people interested in applying for jobs with federal agencies and the capacity and the ability for these agencies to perform their missions will be severely diminished,” she said.

Kelley made her comments upon the release by the White House of its fiscal 2008 budget blueprint, with its proposed pay raise of three percent next year for both the federal civilian workforce and members of the military.

She was sharply critical of inclusion in the budget document by the White House of language rejected by Congress a year ago that would further reduce the federal pay raise by funding special rate pay out of any increase. She called it “nothing more than a backdoor attempt to reduce federal pay.”

The NTEU leader, who promised to work with Congress in an effort to secure a higher 2008 raise, called for a minimum increase of at least 3.5 percent. With the exception of last year, the federal pay raise in recent years has consisted of the Employment Cost Index (ECI) plus half of one percent. The ECI is a government figure developed using Bureau of Labor Statistics data.

“Today's proposal comes on the heels of the lowest pay increase in 20 years and simply does not reflect the contributions of civilian federal employees and members of the military,” Kelley said. Most federal employees in 2007 received only a 1.8 percent raise.

**(MORE)**

## **Kelley Calls for Minimum 3.5 Percent Pay Raise—Add One**

This failure, for the second year in a row, to make any attempt to close the public-private sector pay disparity, Kelley added, “will put the federal government at a further disadvantage with the private sector in hiring.”

Closing the gap with the private sector was the stated goal of the 1990 Federal Employees Pay Comparability Act (FEPCA), which created a system of locality pay but which has not been implemented as intended since its enactment.

Meanwhile, House Majority Leader Steny Hoyer (D-Md.), who has been in the forefront of the fight for a fair and adequate federal pay raise over many years, also took note of the pay gap in his initial assessment of the administration pay proposal.

He said congressional leaders would have to assess the White House proposal “in the context of the long-term impact of recent adjustment levels on an already significant pay gap between federal employees and their private sector counterparts.”

When the administration’s budget proposal reaches Congress, Rep. Hoyer said he intends to consider it “in terms of what is responsible for keeping our government operating as the best in the world, as well as what is fair in compensating our federal workforce for the vital services they provide.”

NTEU is the largest independent federal union, representing some 150,000 employees in 30 agencies and departments.